

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed relatively flat yesterday, with interests seen on selected maturities. Thus, the average benchmark yield remained unchanged at 10.86%.

Nigerian Treasury Bill (NTB)

The treasury bills market recorded a bearish session yesterday with minimal trading activities registered across board. While aggressive selloffs on selected mid-term instrument push up the average benchmark yield by 7bps (basis points) to settle at 3.38%.

FGN Eurobond Market

FG Eurobond market rebound yesterday as the market closed on the bearish side, with buying seen across board. The average yield declined by 4bps to close at 8.23%

Money Market

In the money market, the interbank rates fell on the account of improved banks' balance yesterday. The Open Buyback (OBB) and Overnight (O/N) rate declined by 275bps, to close at 5.25% and 5.75%, respectively.

Foreign Exchange Market

At the CBN's Investors and Exporters Window yesterday, Naira depreciated against the US dollar as exchange rate rose by 17 kobo to close at N416.50/\$1. This week, Nigeria's foreign reserve rose by \$36.08 million and \$26.04 million on Tuesday and Wednesday, respectively, to settle at N39.631 billion.

Oil Market

- Oil prices drifted lower earlier today and were set to drop around 3% for the week as consuming countries' planned release of 240 million barrels from emergency stocks offset some concerns over reduced supplies from Russia due to western sanctions. As of 8:00 am, this morning, Brent Crude gained \$0.72 to trade at \$101.30 amidst market uncertainties.
- According to Bloomberg, Russian oil production fell in the first week of April by 4.5 percent compared to the March average—the steepest decline in output since May 2020. This week, Russia pumped the equivalent of 10.52 million barrels per day (bpd) of oil, per Bloomberg calculations based on energy ministry data in tons. That's some 500,000 bpd below the average Russian production for the whole month of March. If the trend continues throughout April, Russia could see its biggest monthly drop in oil production since May 2020, when it started voluntarily slashing its output as part of the OPEC+ deal.
- The United States Congress voted to ban the import of Russian crude oil, and to suspend normal trade relations with Russia, as the United States moves to increase its pressure on Russia after the invasion of Ukraine.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.96%	4.94%	-0.02
^16.29 17-MAR-2027	10.45%	10.45%	0.00
^12.15 18-JUL-2034	12.07%	12.07%	0.00

Nigerian Treasury Bills Yields

30-JUN-2022 (84 days)	2.49%	2.49%	0.00
29-SEP-2022 (175 days)	3.15%	3.15%	0.00
9-MAR-2023 (336 days)	4.48%	4.42%	-0.06

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.97%	4.93%	-0.04
6.50 NOV 28, 2027	7.87%	7.83%	-0.04
7.875 16-FEB-2032	8.99%	8.93%	-0.06

Forex Spot rates

I&E Market	416.50	416.67	+0.17
SMIS Market	430.00	430.00	0.00
Parallel Market	587.00	587.00	0.00

Forex Forward rates

1 month	418.69	418.50	-0.19
6 months	432.51	432.64	+0.13
12 months	448.00	447.91	-0.09

Other Key Indices

Indicators	Current	Change
OBB	5.25%	-275bps
O/N	5.75%	-275bps
System liquidity (op. bal)	N232.64bn	+N111bn
Foreign reserve	\$39.631bn	\$26.04mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$101.30	-\$0.72
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- Nigeria's Budget Deficit:** The President General Muhammadu Buhari, has written a letter to the House of Representatives, informing the parliament that the deficit in the [2022 Appropriation Act has risen by N965.42bn to N7.35tn](#). Consequently, the President said the Federal Government would borrow funds to fill the gap. President Buhari, therefore, called for an amendment to the Federal Government's budget and the fiscal framework for 2022. According to the President, there have been new developments both in the global economy as well as in the domestic economy, which have necessitated the revision of the 2022 Fiscal Framework on which the 2022 budget was based.
- New Revenue Sharing Formula:** [The Federal Government will have its share of revenue allocation reduced by 3.33 per cent](#) if the new revenue-sharing formula proposed by the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC) gets approval. In the proposal, the Federal Government will take 45.17 per cent; the states, 29.79 per cent and the local government councils, 21.04 per cent. While the Federal Government will shed 3.33 per cent, states and local governments have their share increased by 3.07 per cent and 4.4 per cent respectively.
- National Carrier:** Except for last minute changes, the federal government has concluded plans to use the international terminal at the Murtala Muhammed Airport, Lagos as operational hub for domestic services of the planned national carrier, Nigeria Air, which is [against the recent airport security recommendations](#). Government also wants to use the old international terminal at the Nnamdi Azikiwe Airport Abuja for the airline's operation in the Federal Capital Territory (FCT).